

WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Western Virginia Regional Industrial Facility Authority Meeting

Thursday, September 15, 2016 at 10:30 a.m.
Roanoke Higher Education Center (Room 206B)
108 N. Jefferson Street, Roanoke, VA

AGENDA (Revised 9/14/16)

1. Call Meeting to Order Chairman Morrill
2. Roll Call Pace
3. Approval of August 18, 2016 Minutes* Robertson
4. Change in Meeting Date, Time and Venue Strickland
5. Extension of DHCD Grant Hull
6. Update on Financing Davenport & Co.
7. Status of Amended and Restated Agreement Creating WVRIFA Group
8. Resolution of the Western Virginia Regional Industrial Facility Authority Approving Participation Agreement* Group/Sands Anderson
9. Resolution of the Western Virginia Regional Industrial Facility Authority Authorizing the Issuance of its Revenue Bond, Series 2016 in a Principal Amount Not to Exceed \$10,000,000 and Authorizing the Execution and Delivery of Bond Documents and Further Action in Connection Therewith* Sands Anderson
10. REQUEST FOR A CLOSED MEETING

A communication from Chris Morrill, Chairman of the Western Virginia Regional Industrial Facility Authority(WVRIFA), requesting that the Authority convene in a Closed Meeting to discuss the potential acquisition of privately-owned property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711 (A)(3), Code of Virginia (1950), as amended.
11. END CLOSED MEETING AND RECONVENE REGULAR MEETING

Administered by:
Roanoke Valley-Alleghany Regional Commission
P.O. Box 2569, Roanoke, VA 24010
540.343.4417 rvarc@rvarc.org

- 12. Adoption of Certification Resolution of Closed Meeting Chairman Morrill
- 13. Next Steps Doughty
- 14. Adjournment

MINUTES
Board Meeting
August 18, 2016

- MEMBERS PRESENT:** Kevin Boggess, Wayne Bowers, Michael Burnette, Jill Loope, Gary Larrowe, Chris Morrill, Brent Robertson, Barry Thompson (8)
- ALTERNATES PRESENT:** Rob Ledger, Dan O'Donnell (2)
- GOVERNMENTS:** Botetourt County, Franklin County, City of Roanoke, City of Salem, Roanoke County, Town of Vinton (6)
- Staff:** Laura Carini, Beth Doughty, John Hull, Lisa Link
- Guests:** Paul Jacobson, Sands Anderson; Kyle Laux, Davenport; Dan Siegel, Sands Anderson; Rebecca Owen, Roanoke County, Rosie Jordan, City of Salem, Ken McFadyen, Botetourt County

Chairman Chris Morrill was running late, so to open the meeting Secretary Brent Robertson opened the floor to accept nominations for a temporary chairman. A motion by Bowers to nominate Kevin Boggess as temporary chair was seconded by Thompson and was approved unanimously.

Temporary Chairman Boggess called the meeting to order. Link read the roll call and established a quorum was present.

A motion by Bowers to accept the Minutes from the July 21, 2016 meeting was seconded by Thompson and approved unanimously.

FUNDING PROPOSAL UPDATE: Laux provided an update on the request for proposal that had been sent following the July meeting. Laux reminded everyone that at this time we are seeking funding for Phase I, \$10 million for land acquisition, and that the best options include taxable financing as that provides the greatest flexibility for the Authority. As a reminder the proportionate shares are as follows:

City of Roanoke	37 percent
Roanoke County	37 percent
Botetourt County	13 percent
City of Salem	10 percent
Town of Vinton	3 percent

In terms of the necessary legal securities, the Cities of Roanoke and Salem, and the Town of Vinton will issue general obligations equivalent to the proportionate share of the 2016 bond, and

Roanoke County and Botetourt County will issue moral obligations equivalent to their share of the 2017 bond with collateral.

Laux noted that Union Bank & Trust and Wells Fargo were the only banks to submit funding proposals; it was their recommendation based on the proposals that the Authority explore the Union Bank & Trust proposal.

Union Bank & Trust outlined three different financing options -- 12, 15 and 20 year options. Davenport's team focused on the 20-year financing option which included both prepayment without penalty (3.65 percent fixed through maturity), and make-whole prepayment (2.48% fixed thru maturity) options. Laux noted that the prepayment make-whole penalty can have substantial costs associated if the group were to refinance at some point during the loan. He indicated that participating locality finance directors have previously reviewed both proposals and it was the recommendation of both Davenport and the area finance directors that the group consider the first option without prepayment penalty even though the interest rate is higher. This option allows for the Authority to lock-in interest rates 45 days prior to closing and drawdown funds as needed.

Additional details include localities providing collateral for the Moral Obligation pledge acceptable to the bank with a loan value not exceeding 80 percent of their respective proportional share of the loan. He noted that banks generally prefer essential buildings as collateral (public safety buildings, fire stations, etc.)

Bank counsel fees are estimated at \$20,000 but are subject to change. Other closing costs include appraisal fees, title insurance, and recording fees. Laux noted that if any of the participating localities were to see a change in their Moody's rating, the interest rate could change.

Next steps -- Davenport outlined the following timeline:

Proposed dates for public hearings:
September 19 - City of Roanoke
September 27 – Roanoke County
September 26 – City of Salem
September 20 – Town of Vinton
Botetourt County

Amended and restated organizational documents for all participating localities should be completed and approved by the following:

Botetourt	August 23
City of Roanoke	September 6
Franklin County	September 20
Town of Vinton	September 20
City of Salem	September 22
Roanoke County	September 13

Proposed dates for public hearings:

September 19 - City of Roanoke
September 27 – Roanoke County
September 26 – City of Salem
September 20 – Town of Vinton
Botetourt County

September 15 Schedule informational presentations to participating governments

October 10 Proposed closing

O'Donnell noted that he doesn't believe a public hearing is required to approve the general obligation bond, but noted it is more important to select the properties that will be used as collateral, including the title search and appraisal of the properties. He noted this could take some time, and the October 10 closing date may be difficult with this in mind.

After some discussion, it was agreed that Davenport will go back to Union Bank & Trust to request the interest rate be guaranteed for 60 days instead of 45 days.

It is the intent of the Board to authorize Davenport to move forward with Union Bank & Trust's Option 1 – No prepayment penalty proposal. Full board approval will not happen until after all local governments have worked out collateral properties and public hearings.

MEMORANDUM OF UNDERSTANDING: Doughty presented the proposed Memorandum of Understanding (MOU), copy attached. It was suggested that "annual fee" be added to clarify fees. A motion by Boggess to accept the proposed Memorandum of Understanding between Western Virginia Regional Industrial Facility Authority and the Roanoke Valley Alleghany Regional Commission with the proposed "annual fee" language was seconded by Bowers and was approved unanimously.

DHCD GRANT STATUS: Hull reported that the required work has been completed for the grant. The Roanoke Regional Partnership was awarded \$36,000, more than the original grant request of \$25,000. Approximately \$22,415.40 has been spent, with a balance of \$13,584.60 left of the award, matching funds of \$3,396.15 will be required to use the additional funding. Fees for the work done by Davenport and Sands Anderson can be used to spend the match down.

CLOSED SESSION – A communication from Chris Morrill, chairman of the Western Virginia Regional Industrial Facility Authority (WVRIFA) requesting that the Authority convene in a Closed Meeting to discuss the potential acquisition of privately-owned property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to section 2.2-3711(A)(3), Code of Virginia (1950) as amended. A motion by Morrill, to go into closed session per the request was seconded by Bowers and was certified. Roll was called and the motion was passed.

A motion by Boggess to end the closed session was seconded by Thompson and passed unanimously.

With respect to the Closed Meeting just concluded Morrill moved that each member of the Western Virginia Regional Industrial Authority certify to the best of his or her knowledge that: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia freedom of Information Act; and (2) only such public business matters as were identified in any motion by which any Closed Meeting was convened were heard, discussed, or considered by the Western Virginia Regional Industrial Facility Authority. A motion to certify the closed session made by Boggess was seconded by Bowers and passed unanimously. Roll was called and the certification was unanimous.

There being no other business, the meeting adjourned.

Secretary

Attest

The next meeting of the Western Virginia Regional Industrial Facility Authority is scheduled for Thursday, September 15, 2016 at 10:30 AM.

**RESOLUTION OF THE WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY
AUTHORITY APPROVING PARTICIPATION AGREEMENT**

WHEREAS, pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia of 1950, as amended (**the "Act"**) the governing bodies of Botetourt County, Franklin County, Roanoke County, the City of Roanoke, the City of Salem and the Town of Vinton (**the "Member Localities"**) each adopted an ordinance for the creation of the Western Virginia Regional Industrial Facility Authority (**the "Authority"**) in order to promote economic development in the geographical region of the Member Localities;

WHEREAS, the Act authorizes the Authority, among other things, to develop, construct, improve, equip and maintain facilities for industrial or commercial purposes, to expend funds as may be available to it for the purposes of developing such facilities, to enter into contracts of any kind with respect to carrying out its powers under the Act, to accept funds and property from counties, cities and towns and use the same for any of the purposes for which the Authority is created and to enter into cooperative arrangements with any governmental entity in furtherance of the purposes of the Act, and authorizes each Participant (as defined below) to provide funds to the Authority for any of its purposes and each Participant is otherwise authorized by law to make appropriations for the accomplishment of the lawful purposes and objectives of such Participant; and

WHEREAS, Roanoke County, the City of Roanoke, and the City of Salem (**the "Participants" and each individually, a "Participant"**) and the Authority desire to enter into a Participation Agreement in furtherance of the acquisition of property to be used for industrial park or other economic development purposes and the design, acquisition, construction and equipping of water, sewer, roadway and other improvements on or near the such property

(together, the "Project") and to establish the scope of the Project, describe certain contributions of the Authority and the Participants toward development of the Project and provide for the sharing of certain revenue from the Project.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. The Participation Agreement is hereby approved in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by the Authority officer executing the same, whose approval thereof shall be evidenced conclusively by the execution and delivery of the Participation Agreement. The Chairman, Vice Chairman, Secretary or Treasurer of the Authority, any of whom may act, are authorized to execute the Participation Agreement in accordance with the provisions of this Resolution.

2. This Resolution shall take effect immediately upon its adoption.

CERTIFICATE

I, the undersigned _____ of the Western Virginia Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted during open meeting by a majority of the directors of the Western Virginia Regional Industrial Facility Authority at a meeting duly called and held on _____, 2016, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as _____ of the Western Virginia Regional Industrial Facility Authority this ____ day of _____, 2016.

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this "Agreement"), dated as of this 11th day of October, 2016 by and between the WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY, a political subdivision of the Commonwealth of Virginia created pursuant to Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, **(the "Authority")** and Roanoke County, the City of Roanoke, and the City of Salem, political subdivisions of the Commonwealth of Virginia and members of the Authority **(the "Participants" and each individually, a "Participant")**.

WHEREAS, the Authority has been created under the provision of Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended **(the "Act")**, to promote economic development in the Participants' geographical region; and,

WHEREAS, the Participants and the Authority have identified real property located in Roanoke County described as five (5) parcels in Roanoke County, Virginia roughly bounded by and in the vicinity of Interstate 81 and Wood Haven Road, which consists of approximately one hundred six (106) acres, together with such other parcels of real property that may be acquired by the Authority in connection with the project contemplated herein **(the "Real Property")** to be acquired and used for industrial park or other economic development purposes and the need for the design, acquisition, construction and equipping of water, sewer, roadway and other improvements on or near the Real Property **(together, the "Project")**, as an important project for the region to promote the purposes for which the Authority has been formed; and,

WHEREAS, the Act authorizes the Authority, among other things, to develop, construct, improve, equip and maintain facilities for industrial or commercial purposes, to expend funds as may be available to it for the purposes of developing such facilities, to enter into contracts of any kind with respect to carrying out its powers under the Act, to accept funds and property from counties, cities and towns and use the same for any of the purposes for which the Authority is created and to enter into cooperative arrangements with any governmental entity in furtherance of the purposes of the Act, and authorizes each Participant to provide funds to the Authority for any of its purposes and each Participant is otherwise authorized by law to make appropriations for the accomplishment of the lawful purposes and objectives of such Participant; and

WHEREAS, the Authority and the Participants desire to enter into this Agreement for the purposes of establishing the scope of the Project, describing certain contributions of the Authority and the Participants toward development of the Project and providing for the sharing of certain revenue from the Project.

NOW THEREFORE, in order to carry out the purposes for which the Authority was formed and to promote economic development for the benefit of the Participants, the parties hereto do hereby agree as follows:

I

PROJECT DESCRIPTION

The Project may include the following on or near the Project site: (i) acquisition and disposition by the Authority of interests in Project real estate, (ii) promotion of the Project site for economic development purposes, (iii) grading all or a portion of the Project site, (iv) improving, replacing and extending water, sewer, natural gas, electrical and other utility facilities, (v) construction, rehabilitating and expanding buildings, (vi) construction of parking facilities, (vii) constructing, expanding and improving roads, streets and bridges (viii) purchasing or leasing machinery and tools, (ix) making other improvements consistent with the foregoing actions and in support of the objectives of the Project, (x) financing any or all of the above activities, (xi) selling, leasing, disposing of or making grants of interests in Project real property and personal property in furtherance of the objectives of the Project and (xii) taking other actions consistent with developing the Project for economic development purposes.

II

PROJECT UNDERTAKEN IN THE NAME OF THE AUTHORITY

The acquisition and development of the Project shall be undertaken in the name of the Authority and, subject to the terms of this Agreement, the Authority, shall own, hold, develop, lease, use, sell, encumber, transfer, and dispose of any real or personal property comprising part or all of the Project, provided, however, that the Authority agrees not to take any action related to the financing, development and operation of the Project without the unanimous consent of all of the Participants as reflected by action of the Committee (as defined below) and the Authority further agrees that it will not lease, use, sell, encumber, transfer or dispose of any real or personal property comprising part or all of the Project or take any action or perform any function related to the Project or any portion thereof without the unanimous consent of all of the Participants as reflected by action of the Committee.

III

PROJECT PARTICIPATION COMMITTEE

The Participants shall establish a participation committee for the Project (**the "Committee"**) that shall consist of the respective County Administrator or City Manager of each Participant, or the respective designee of each such chief administrative officer. The Committee shall oversee the development and management of the Project. The Committee shall organize and may adopt bylaws and other organizational documents to designate its procedures and responsibilities. Committee action shall require an unanimous, affirmative vote by all of the Participants. The Committee will recommend action to the Board of Directors of the Authority (the "Board"), and any Committee action must be ratified by the Board.

The locality in which the Project is situated (the "Host Locality") shall not enter into a performance agreement or any other arrangement that involves the rebate or abatement of all or a

portion of the enumerated taxes to the owner of the Real Property without the unanimous consent of the Committee. The Committee may choose to review and recommend to the Authority restrictive covenants for the development of the Real Property and the Project; such restrictive covenants shall include setbacks, landscaping, land uses and other similar restrictions that are usual and customary in industrial developments. The Authority shall take all steps necessary to implement such restrictive covenants at the recommendation of the Committee. The Committee may collaborate with the planning staff of each of the Participants to develop land use regulations and other such standards of land use to be established on the Real Property. Such regulations and standards of land use will be developed in order to maximize the revenue producing use of the Real Property. Such standards may include the average wage of the jobs produced by the Project, anticipated tax returns of the Project, and numbers of jobs created by the Project. The Committee shall present such recommended land use regulations to the Authority for consideration and implementation.

The Host Locality agrees to cooperate with the Authority in pursuing the rezoning or other land use regulation of the Real Property and diligently pursue approval of such rezoning or other land use regulation of the Real Property, based on the recommendation of the Committee.

IV

ANNUAL BUDGET

As soon as practicable after the Committee is formed, and thereafter by March 1 of each year, the Committee shall develop and present to the Participants and the Authority a budget for the fiscal year beginning the following July 1, showing (a) all contemplated expenditures for costs and expenses of the Project (**the "Project Costs"**), including the cost of debt service (**"Project Debt Service Costs"**) and the cost of operations and administration of the Project including costs to design, acquire, construct, equip and operate the Project not paid from the proceeds of Project Debt (as defined below) (**"Project Administration Costs"**) and (b) all anticipated Project Revenue (as defined below) and other funds expected to be generated from or in connection with the Project, including federal and state grants. This annual budget shall be approved by the Committee on or before April 1 of each year.

V

CONTRIBUTION AMOUNTS

Subject to Article VIII below, each Participant shall make payments on a quarterly basis, in advance, or on another basis if approved by the Project Participant Committee, sufficient to pay the Project Administration Costs (**the "Project Administration Contribution Amounts"**) in the following proportions (**the "Contribution Proportions"**): City of Roanoke = 44.2%, Roanoke County = 44.2%, City of Salem = 11.6%.

The initial payment of Project Administration Contribution Amounts shall be made by each Participant on or before January 1, 2017. Should any Participant fail or neglect to pay its Project

Administration Contribution Amount on or before the date when such Project Administration Contribution Amount is due and owing, and such failure continues for more than thirty (30) days after written demand for payment made to such Participant by the Committee, such Participant shall forfeit and lose any and all rights arising out of this Agreement, including any rights to vote and any right to receive a share of Project Revenue (as defined below). In the event that any Participant forfeits and loses its rights under this Agreement, the Project Administration Contribution Amounts of the remaining Participants shall increase proportionately so that Project Administration Costs may be paid in full.

Contribution Amounts to be used by the Authority to pay debt service on Project Debt (**the "Project Debt Contribution Amounts"**) shall be paid by each Participant in accordance with one or more support agreements entered into by each Participant (**each, a "Support Agreement"**) in connection with Project Debt (as defined below) in accordance with the Contribution Proportion applicable to each Participant as set forth above. The type of obligation of any Participant under a Support Agreement, whether a general obligation, a "moral" obligation or otherwise shall be as set forth and described in each particular Support Agreement. The right of any Participant to prepay any Project Debt Contribution Amount shall be as set forth and described in each particular Support Agreement. Should any Participant fail or neglect to pay its Project Debt Contribution Amount on or before the date when such Project Debt Contribution Amount is due and owing, or fail to enter into a Support Agreement reflecting that Participant's Contribution Proportion up to the Maximum Project Debt (as defined below) such Participant shall forfeit and lose any and all rights arising out of this Agreement, including any rights to vote and any right to receive a share of Project Revenue (as defined below). In the event that any Participant forfeits and loses its rights under this Agreement, the remaining Participants shall have no responsibility or liability to pay any portion of the Project Debt Contribution Amount of the former Participant.

VI

FINANCING

Participants shall be responsible for payment of all debt obligations of the Authority related to or arising from the Project (**"Project Debt"**) in their respective Project Debt Contribution Amounts and for costs and expenses for the implementation of the Project through payment of their respective Project Debt Contribution Amounts as set forth above. Member localities of the Authority not participating in the Project shall have no responsibility for payments in support of any Project Debt or any other Project costs.

The Authority agrees, subject to conditions imposed by a lender, lenders or other financing source and to the Participants entering into such Support Agreements as may be required, to finance the acquisition of interests in Project property and initial costs related to marketing and development of the Project, such financing expected to occur in calendar year 2016, in a principal amount not to exceed \$10,000,000 (**the "Initial Project Debt"**). The Authority further agrees, subject to conditions imposed by a lender, lenders or other financing source and to the Participants entering into such Support Agreements as may be required, to finance the acquisition of additional property near the Real Property as deemed desirable by the Authority and the Committee and the design, acquisition, construction and equipping of water, sewer, roadway and other improvements

on or near such Project Real Property (**the "Additional Project Debt"**) in a principal amount such that the total of the Initial Project Debt and the Additional Project Debt does not exceed \$20,000,000 (**the "Maximum Project Debt"**).

VII

REVENUE SHARING

"Project Revenue" is defined as all of the local taxes paid by businesses and industries including, but not limited to, the real property, personal property, machinery and tools, sales, and meals located at the Project site at the applicable tax rates. Project Revenue will, subject to Article VIII below, be paid to the Authority by the governing body of the locality in which the Project is located and shall be distributed by the Authority to the Participants in the Project based upon each Participant's Contribution Proportion.

VIII

WITHDRAWAL OF PARTICIPANT

No Participant may withdraw from this Agreement without the unanimous consent of all other Participants. Once Project Debt obligations have been incurred by the Authority, no Participant may withdraw from this Agreement without the unanimous consent of all holders or owners of Project Debt.

Once Additional Project Debt obligations have been incurred by the Authority, no Participant may withdraw from this Agreement without the unanimous consent of all holders or owners of Additional Project Debt.

I

ANNUAL APPROPRIATION

Any obligation of a Participant to pay any Project Administration Contribution Amount or to pay any Project Revenue to the Authority set forth in this Agreement, as applicable, shall not constitute a debt or a pledge of any Participant within the meaning of any constitutional or statutory debt limitation, but shall be subject to and dependent upon annual appropriations being made from time to time by the governing body of such Participant. The chief administrative officer or other officer charged with the responsibility for preparing the proposed annual budget of each Participant is directed to include in the proposed budget for each fiscal year the amount of the expected Project Administration Contribution Amount (and, if applicable, payment of Project Revenue) for such fiscal year and any other sums due under this Agreement. If, by July 15 of each fiscal year the governing body of any Participant has not appropriated such amount for the then current fiscal year for the purposes intended by this Agreement, the chief administrative officer of such Participant shall give written notice to the governing body of such Participant of the consequences of such failure to appropriate, including the forfeiture of rights under this Agreement.

To the extent permitted by law, in the event of the failure of the Host Locality to make its payment of any Project Revenue to the other Participants under this Agreement, any Participant

has the right to institute a process under which a Participant could cause the Participant's Director of Finance to withhold and setoff all further payments due to the Host Locality until the unpaid sum of Project Revenue is obtained. The Participant will give the Host Locality sixty (60) days' notice before withholding and setting off any such payments.

X

AMENDMENT

This Agreement may be amended from time to time by written agreement duly approved and executed by all Participants and the Authority.

XI

TITLE AND HEADINGS

The title and article headings in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

XII

SEVERABILITY

If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the parties hereto only to the extent permitted by law.

XIII

EXECUTION OF COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

XIV

VENUE

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

SIGNATURE PAGES TO FOLLOW.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and attested by their respective clerks or secretaries.

ATTEST:

**WESTERN VIRGINIA REGIONAL
INDUSTRIAL FACILITIES AUTHORITY**

By: _____

Printed Name and Title

Printed Name and Title

APPROVED TO FORM:

Counsel to Authority

ATTEST:

CITY OF ROANOKE, VIRGINIA

By: _____

Printed Name and Title

Printed Name and Title

APPROVED TO FORM:

Roanoke City Attorney

ATTEST:

COUNTY OF ROANOKE, VIRGINIA

By: _____

Printed Name and Title

Printed Name and Title

APPROVED TO FORM:

Roanoke County Attorney

ATTEST:

Printed Name and Title

CITY OF SALEM, VIRGINIA

By: _____

Printed Name and Title

APPROVED TO FORM:

Salem City Attorney

**RESOLUTION OF THE WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY
AUTHORITY AUTHORIZING THE ISSUANCE OF ITS REVENUE BOND, SERIES
2016 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$10,000,000 AND AUTHORIZING
THE EXECUTION AND DELIVERY OF BOND DOCUMENTS AND FURTHER
ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the Western Virginia Regional Industrial Facility Authority (**the "Authority"**) is a political subdivision of the Commonwealth of Virginia duly created under the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia of 1950, as amended (**the "Act"**) pursuant to ordinances adopted by the County of Botetourt, Virginia (**"Botetourt County"**), the County of Franklin, Virginia (**"Franklin County"**), the City of Roanoke, Virginia (**"the City of Roanoke"**), the County of Roanoke, Virginia (**"Roanoke County"**), the City of Salem, Virginia (**"the City of Salem"**) and the Town of Vinton, Virginia (**"the Town of Vinton"**) and a certificate issued by the Secretary of the Commonwealth of Virginia dated February 4, 2014;

WHEREAS, the Act authorizes the Authority to borrow money to pay the costs of a Facility, as defined in the Act, including real estate and improvements for manufacturing, warehousing, distribution, office or other industrial or commercial purposes in order to enhance the economic base for localities that are members of the Authority, to accept funds from counties, cities and towns and use the same for Authority purposes, to make loans and to enter into contracts of any kind to accomplish the purposes of the Authority;

WHEREAS, in order to further the purposes of the Act, the Authority desires to undertake the financing of land acquisition and related improvements and facilities, including necessary expenses incidental thereto (**collectively, the "Project"**), and to obtain the funds therefor by the issuance of the Authority Revenue Bond (as hereinafter defined);

WHEREAS, the City of Roanoke, Roanoke County and the City of Salem (**collectively, the "Participants" and each individually, a "Participant"**) desire to support the Project financially to promote commerce and the prosperity of the citizens of the Participants; and

WHEREAS, to finance the Project, the Authority has determined to issue pursuant to the terms of a Bond Purchase and Loan Agreement dated as of October 11, 2016 (**the "Bond Purchase and Loan Agreement"**) between the Authority and Union Bank & Trust (**the "Bank"**), its Revenue Bond, Series 2016 in the maximum principal amount of \$10,000,000 (**the "Authority Revenue Bond"**) and to use the proceeds thereof to finance costs incurred in connection with the Project and to pay certain costs of issuance of the Authority Revenue Bond;

WHEREAS, such Authority Revenue Bond will be payable from and secured by a pledge of the revenues and receipts received by the Authority as follows:

(1) payments from Roanoke County pursuant to a Support Agreement between Roanoke County and the Authority (**the "Roanoke County Support Agreement"**) such payments under the Roanoke County Support Agreement being the same as rent payments under the Roanoke County Lease (as defined below), such payments from Roanoke County to constitute a percentage of amounts due under the terms of the Authority Revenue Bond as set forth in the Bond Purchase and Loan Agreement (**the "Roanoke County Portion of Support"**);

(2) payments from the City of Roanoke pursuant to a Support Agreement between the City of Roanoke and the Authority (**the "City of Roanoke Support Agreement"**), such payments from the City of Roanoke to constitute a percentage of amounts due under the terms of the Authority Revenue Bond as set forth in the Bond Purchase and Loan Agreement (**the "City of Roanoke Portion of Support"**); and

(3) payments from the City of Salem pursuant to a Support Agreement between the City of Salem and the Authority (**the "City of Salem Support Agreement"**), such payments from the City of Salem to constitute a percentage of amounts due under the terms of the Authority Revenue Bond as set forth in the Bond Purchase and Loan Agreement (**the "City of Salem Portion of Support"**);

WHEREAS, the obligation of the Authority to pay principal and interest on the Authority Revenue Bond will be limited to payments received from the Participants in accordance with the terms of the Bond Purchase and Loan Agreement;

WHEREAS, Roanoke County will lease certain real property owned by the County (**the "Roanoke County Leased Property"**) to the Authority for an approximately 25 year term in accordance with a Ground Lease dated as of October 11, 2016 between Roanoke County and the Authority (**the "Roanoke County Ground Lease"**) and the Authority will lease such Roanoke County Leased Property back to Roanoke County for a term not less than the term of the Authority Revenue Bond in accordance with a Lease Agreement dated as of October 11, 2016 between Roanoke County and the Authority (**the "Roanoke County Lease" and, together with the Roanoke County Ground Lease the "Roanoke County Leases"**), with the rent payable under the Roanoke County Lease constituting the Roanoke County Portion of Support;

WHEREAS, payments constituting the City of Roanoke Portion of Support shall be general obligations of the City of Roanoke, payments constituting the City of Salem Portion of Support shall be general obligations of the City of Salem and payments constituting the Roanoke County Portion of Support will be subject to annual appropriation by the Roanoke County Board of Supervisors in accordance with the Roanoke County Support Agreement and secured by the Authority's assignment to the Bank of certain rights under the Roanoke County Leases;

WHEREAS, payments constituting the Roanoke County Portion of Support, the City of Roanoke Portion of Support and the City of Salem Portion of Support (**together, the "Support Payments"**) will be assigned, together with the Authority's assignment to the Bank of certain rights under the Roanoke County Leases, from the Authority to the Bank as security for the payment of debt service on the Authority Revenue Bond pursuant to an Assignment Agreement between the Authority and the Bank, dated as of October 11, 2016 (**the "Assignment Agreement"**); and

WHEREAS, drafts of the forms of the Roanoke County Support Agreement, the City of Roanoke Support Agreement, the City of Salem Support Agreement, the Roanoke County Ground Lease, the Roanoke County Lease, the Assignment Agreement and the Bond Purchase and Loan Agreement (**together, the "Authority Documents"**) and a draft of the form of the Authority Revenue Bond, were made available to the Authority at this meeting.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. It is hereby found and determined that the financing of the Project will be in the public interest, will benefit the citizens of the geographical region served by the Authority, will increase commerce, and will promote the safety, health, welfare, convenience and prosperity of the Participants and their citizens.

2. The Authority hereby approves the issuance of the Authority Revenue Bond substantially upon the terms set forth therein and in the Bond Purchase and Loan Agreement and agrees that the Authority Revenue Bond will be purchased by the Bank. The Chairman or Vice Chairman of the Authority, either of whom may act, are authorized to execute the Authority Revenue Bond, and the Secretary, Assistant Secretary or other officer of the Authority, any of whom may act, are authorized to attest the same, with the final terms and interest rate of the Authority Revenue Bond to be approved by the Chairman or Vice Chairman of the Authority whose execution thereof shall be conclusive evidence of such approval.

3. The Authority Documents are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof and therein and changes to reflect the final terms of the Authority Revenue Bond as described in paragraph 2 above) as may be approved by the Chairman or the Vice Chairman of the Authority, whose approval thereof shall be evidenced conclusively by the execution and delivery of the Authority Documents containing such changes, insertions or omissions.

4. The delivery of the Authority Revenue Bond against payment therefor, the amount of such payment to be disbursed in accordance with the terms of the Bond Purchase and Loan Agreement, is hereby authorized and directed.

5. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each authorized and directed to execute the Authority Documents on behalf of the Authority, and, if required or requested, the Secretary, the Assistant Secretary or other officer of the Authority, any of whom may act, are each authorized and directed to attest such signature. The signatures of the Chairman or Vice Chairman and the Secretary or Assistant Secretary, or other officer of the Authority on the Authority Revenue Bond may be by facsimile.

6. Each officer of the Authority is authorized and directed to execute and deliver on behalf of the Authority such agreements, instruments, documents or certificates and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Authority Documents including such other instruments and documents as are necessary to create and perfect the assignment of the Support Payments to the Bank, to issue the Authority Revenue Bond, to lease real property as contemplated by the Roanoke County Leases and provide security for the Roanoke County Portion of Support, and each officer of the Authority is further authorized and directed to execute and deliver on behalf of the Authority such agreements, instruments,

documents or certificates. All of the foregoing previously done or performed by such officers of the Authority are in all respects approved, ratified and confirmed.

7. The Authority determines that the issuance of the Authority Revenue Bond in accordance with the terms of the Authority Documents and all actions of the Authority contemplated thereunder will be in the furtherance of the purposes for which the Authority was organized.

8. Any authorization to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

9. All other actions hereafter taken by the officers, agents and representatives of the Authority, by Davenport & Company LLC as financial advisor to the Authority and by Sands Anderson PC as bond counsel to the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Authority Revenue Bond and the financing of the Project are hereby ratified, approved and confirmed.

10. Nothing in this Resolution, the Authority Revenue Bond, or the Authority Documents shall constitute a debt of the Authority other than the limited obligation of the Authority set forth in the Authority Revenue Bond, and the Authority shall not be obligated to make any payments under the Authority Revenue Bond or the Authority Documents except from the Support Payments.

11. A certified copy of this Resolution shall be filed with the Clerk of the Circuit Court of the County of Roanoke, Virginia, in accordance with Section 15.2-6409 J. of the Code of Virginia of 1950, as amended, and this Resolution shall be deemed to be the initial resolution of the Authority authorizing the issuance of the Authority Revenue Bond within the meaning of Section 15.2-6409 J. of the Code of Virginia of 1950, as amended.

12. This Resolution shall take effect immediately upon its adoption.

CERTIFICATE

I, the undersigned _____ of the Western Virginia Regional Industrial Facility Authority, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted during open meeting by a majority of the directors of the Western Virginia Regional Industrial Facility Authority at a meeting duly called and held on September 15, 2016, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand as _____ of the Western Virginia Regional Industrial Facility Authority this 15th day of September, 2016.

_____,
Western Virginia Regional Industrial Facility Authority

WESTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

September 8, 2016

Members
Western Virginia Regional Industrial Facility Authority

Dear Authority Members:

This is to request a Closed Meeting at our September 15, 2016 meeting to discuss the potential acquisition of privately owned property pursuant to Section 2.2-3711 (A)(1), Code of Virginia (1950), as amended.

Sincerely,



Christopher Morrill
Chairman

JLP

CERTIFICATION RESOLUTION

**RESOLUTION CERTIFYING CLOSED MEETING WAS HELD IN CONFORMITY
WITH THE CODE OF VIRGINIA**

WHEREAS, the Western Virginia Regional Industrial Facility Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Western Virginia Regional Industrial Facility Authority that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, that the Western Virginia Regional Industrial Facility Authority hereby certifies that, to the best of each member's knowledge:

1. Only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting which this certification resolution applies; and
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Western Virginia Regional Industrial Facility.

The 15th day of September, 2016